

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 04286 230833Z

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 AGRE-00 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 EPG-02 SP-02 STR-04 TRSE-00
FRB-03 OMB-01 /038 W
-----231003Z 002599 /13

R 230756Z MAY 77

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 4060

INFO AMEMBASSY TAIPEI

LIMITED OFFICIAL USE SEOUL 4286

DEPT PASS STR, ATTN, STEVE LANDE

EO 11652: N/A

TAGS: ETRD KS

SUBJ: U.S.-KOREA NON-RUBBER FOOTWEAR OMA

REF: SEOUL 4143

SUMMARY: SMALL U.S.-OWNED SHOE FACTORY IN KOREA INFORMED
BY MCI IT WILL NOT BE GRANTED VISAS FOR SHOE EXPORTS
U.S. UNDER OMA. MCI RECOMMENDED AMERICAN OWNERS TO
APPROACH STR AND REQUEST SPECIAL TREATMENT. AMERICAN
CO-OWNER SAID IF IT CANNOT EXPORT SHOES TO U.S., IT WILL
BE FORCED TO CLOSE DOWN AND DISMISS ITS 120 EMPLOYEES.
EMBASSY WAS ASKED NOT TO TAKE ACTION AT THIS TIME, BUT
TO ALERT STR. END SUMMARY.

1. EMBASSY HAD VISIT MAY 23 OF MAURICE L. PEDOTT, VICE
PRES. OF AMERICAN COMPANY, YARIN SHOE CORP., 350 FIFTH
AVE., SUITE 5508, NEW YORK, N.Y., AND LEE, JAE WON,
GENERAL MANAGER, AMATI CORP., SEOUL. THEY EXPLAINED
AMATI WAS FORMED BY YARIN 5 YEARS AGO, TO MANUFACTURE
AND EXPORT SHOES TO YARIN, IS 100 PERCENT U.S.-OWNED, AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 04286 230833Z

IMPORTS ALL ITS MATERIALS, MACHINERY AND TOOLS FROM U.S. INTO A
BONDED FACILITY. NO DOMESTIC SALES ARE PERMITTED. IN
NOV. 1976 YARIN RECEIVED EPG APPROVAL TO EXPAND ITS INVESTMENT
IN AMATI BY \$60,000, TO TOTAL \$250,000 WITH PRODUCTION
TO BE SET AT ABOUT 400 PAIRS PER DAY (APPROXIMATELY
120,000 PAIRS PER YEAR). AMATI EXPORTED 50,000 PAIRS
NON-RUBBER FOOTWEAR TO U.S. IN 1976. WITH RECENT EXPANSION,

IT INCREASED CAPACITY TO 150,000-180,000 PAIRS PER YEAR, WITH NUMBER OF EMPLOYEES EXPECTED TO RISE FROM 120 TO 160. AMATI SPECIALIZES IN HIGH QUALITY (\$35 RETAIL) SHOES.

2. PEDOTT SAID HE HAD JUST COME FROM MCI WHERE DR. KIM, CHULSU, CHIEF, EXPORT DIV. 1, HAD INFORMED HIM THAT EFFECTIVE JULY 1, ROKG WOULD NOT ISSUE VISAS FOR EXPORTS OF AMATI'S SHOES TO U.S., AND THAT IT WOULD BE ADVISABLE FOR YARIN TO GET SPECIAL DISPENSATION FROM STR; OTHERWISE U.S. CUSTOMS WOULD NOT PERMIT SUCH SHOES TO ENTER U.S. MCI GAVE PEDOTT LANDE'S NAME AT STR, AND ALSO NAME OF LEE, EUN TAK, COMMERCIAL ATTACHE, KOREAN EMBASSY, WHO WOULD BE IN POSITION TO VERIFY TO STR THIS DECISION BY MCI. PEDOTT SAID IT WAS HIS IMPRESSION MCI HAD NOT YET DECIDED ITSELF HOW TO ALLOCATE VISAS FOR KOREAN EXPORTERS, BUT IT WAS MADE VERY CLEAR HOW AMATI'S APPLICATIONS WOULD BE TREATED.

3. PEDOTT SAID THAT EVEN IF AMATI WERE TO BE ISSUED VISAS FOR UP TO 80 PERCENT OF 1976 EXPORTS, THIS WOULD EFFECTIVELY PUT IT OUT OF BUSINESS ON JUNE 30 AND CAUSE IT TO LAY OFF ITS 120 EMPLOYEES, ESPECIALLY WITH ITS RECENTLY EXPANDED INVESTMENT, AND INCREASED CAPACITY. PEDOTT SPECIFICALLY ASKED EMBASSY NOT TO APPROACH ROKG OFFICIALS AT THIS TIME ON MATTER, BECAUSE HE THOUGHT IT MIGHT AGGRAVATE THEM UNNECESSARILY. HE DID REQUEST THAT WE NOTIFY STR THAT HE IS SENDING TELEX TODAY TO HIS NEW YORK OFFICE, TO ASK HIS PARTNER, PRESIDENT DAVID YARIN, TO CONTACT LANDE AT STR. (YARIN AND PEDOTT ARE EVIDENTLY CO-OWNERS OF YARIN AND AMATI COMPANIES).
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SEOUL 04286 230833Z

4. PEDOTT SAYS HE REALIZES HIS OPERATIONS AND PRODUCTION ARE VERY SMALL, BUT IT DOES REPRESENT 5 YEARS OF BUILDING UP THE BUSINESS. ON QUESTIONING, HE SAID HE BELIEVED AMATI IS THE ONLY U.S.-OWNED SHOE FACTORY IN KOREA; HE DID NOT KNOW IF THERE MIGHT BE SIMILAR CASES IN THE ROC.

5. COMMENT: BASED ON ABOVE DESCRIPTION, EMBASSY UNABLE TO DETERMINE IF THIS CONSTITUTES DISCRIMINATION AGAINST AMERICAN COMPANY, SINCE SOME KOREAN COMPANIES REPORTEDLY ALSO CLOSING DOWN (REFTEL). EVEN IF AMATI WERE TO BE GIVEN EQUAL TREATMENT BY ROKG, IT CLAIMS IT WOULD BE FORCED TO CLOSE. EMBASSY WOULD APPRECIATE BEING INFORMED OF RESULTS OF YARIN'S APPROACH TO STR, TOGETHER WITH ANY INSTRUCTIONS.
SNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORT CONTROLS, IMPORT CONTROLS, SHOES
Control Number: n/a
Copy: SINGLE
Sent Date: 23-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SEOUL04286
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770182-1204
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770527/aaaaaxsp.tel
Line Count: 112
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 53afb8b-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 SEOUL 4143
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2405277
Secure: OPEN
Status: NATIVE
Subject: U.S.-KOREA NON-RUBBER FOOTWEAR OMA
TAGS: ETRD, EINV, US, KS, YARIN SHOE CORP, AMATI CORP
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/53afb8b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009